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Pahl and Williams

(ACCESS - NO AUDIT CIA)

1/18/60

Messrs. Pahl and Williams, CAAD, met with CIA representatives in the office of the Deputy Director for Support at 4:00 PM, January 7, 1960, for the purpose of discussing the access to be granted to GAO representatives in the current audit of CIA.

Mr. White, Deputy Director, Support, Mr. Lloyd, Deputy to the Deputy Director for Support, and [REDACTED] GAO contact in the office of the DD/S, represented CIA.

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Mr. White stated that he had had a meeting with [REDACTED] Staff Deputy Comptroller, CIA, and [REDACTED], Chief, CIA Audit/Branch to discuss: (1) A request for certain materials by GAO for use in the audit of CIA, and (2) to what extent we would be permitted to review certain operations, procedures and policies of the Comptroller's Office, its components, and the Audit Staff.

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Mr. White advised us that the GAO audit would have to remain outside the clandestine operations of CIA. We would not be permitted to do a comprehensive audit of clandestine operations, or of an activity of an organization where such activity involves or supports clandestine operations. In the instance of organizations supporting clandestine operations, Mr. White advised that the agency regulations setting forth the policies, procedures, and practices under which such an organization carries out its responsibilities would not be available for our review, principally because the Agency regulations and other written instructions are generally so intermingled with the clandestine activities that a security

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See, This is a redraft of your memo articles meeting. Review to see if into factual and complete to your release.

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OK as redrafted

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Mr. White advised, however, that where a support organization is involved in both ~~secret~~ ^{clandestine} and overt operations, we could be briefed in detail on the policies, procedures, and practices pertinent to the activities in support of the overt operations. He agreed that this would be a time consuming job for both GAO and CIA, but that CIA has often found that in order to maintain security, the shortest distance between two points has not always been a straight line for them. Mr. Pahl advised that in performing such audits it would be necessary to document such briefings in his working papers.

Mr. White advised that we could not be granted access to the chart of accounts, accounting manual, agency regulations and other data on the activities of the Finance Division of the Comptroller's Office, but that access would be granted under the general guidelines set forth above. However, Mr. White stated that he believed the internal audit report requested could be made available subject to a security check. He advised further that other such reports and material might be available subject to security review and possible sterilization to maintain the necessary security. Mr. White stated that we can expect, at least in the initial stages of our audit, that clearance will have to be obtained from his office before any reports, instructions, and other documents can be made available to us for audit purposes.

Mr. White ~~was~~ ^{length} went to great ~~length~~ to explain why it would not be wise or possible to make certain materials available, or permit access to certain operations to anyone, except on a need to know basis, and ~~even~~ even though material requested itself might be harmless, the operation behind it might be extremely sensitive. In addition, ^{Mr. White stated that} although all of those individuals involved, including GAO personnel, were subject ~~to~~ ^{to} prosecution for any security

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prosecution for any security violations, the ^{policy of the} Director, Central Intelligence ~~policy is that the control over sensitive operations was~~ ^{is} to limit knowledge of such operations to only those people who must have such knowledge.

Mr. Pahl explained that from previous discussions and briefings he understood that GAO would be given access to Agency regulations, manuals, procedures, and reports, but that we would not have access to unvouchered transactions or to certain vouchered transactions that involved sensitive operations. He stated, however, that the clarification of the guidelines and limitations under which the Agency requires our audit to be conducted was necessary to the conduct of our audit, and that in getting the audit off the ground many such discussions and meetings such as this may be required.

Mr. White stated that we should feel free to come directly to him anytime we have a question that we believe requires his attention. Because of the nature of the Agency's operation, all parties concerned with our audit would have problems arising from time to time that would require such discussion and clarification.

Mr. Williams asked if we ~~pp~~ would be able to go behind the transactions involving vouchered funds to check on procedures and controls, for example the contracting procedures of Logistics, and the audits of the Industrial Contract Audit Division. Mr. White ^{advised} ~~pp~~ that such an extension of the audit would be permissible and appears very logical. He stated, generally, that it was not the intention to restrict our present audit to a lesser access than obtainable under previous audits.

With regards to discussing problems and findings that develop in our CIA audits, Mr. White advised that from a security standpoint, we were at liberty to discuss these matters with Mr. Campbell, the Comptroller General, Mr. Samuelson, Director CAAD, and Mr. Keller, General Counsel.